



SOUTH CAROLINA GENERAL ASSEMBLY

## Legislative Audit Council

Independence, Reliability, Integrity



April 3, 2009

The Honorable Thomas C. Alexander  
South Carolina State Senate  
150 Cleveland Dr.  
Walhalla, SC 29691

Dear Senator Alexander:

Thank you for asking us to testify at your budget subcommittee meeting concerning our audit of the Department of Disabilities and Special Needs (DDSN). I want to provide you with additional information to clarify issues related to the expenditure of DDSN funds that came up during that meeting.

As you know, we conducted an extensive review of the agency's expenditure of funds. One of our primary objectives was to determine if state funds appropriated for new or expanded services were expended in accordance with legislative intent and for the care of clients served by local disability and special needs (DSN) boards. Our review found that funds were either expended to expand existing services, provide new services, or assist local DSN boards to serve clients. We found that funds that were not expended at the end of the fiscal year were carried forward for DDSN to expend in the next fiscal year.

We did not find that state or federal funds were embezzled, stolen, misused, or expended for purposes that did not further the mission of DDSN. In addition, we received no allegations that any funds in the custody of DDSN officials or officials of local DSN boards were embezzled, stolen or misused. Let me assure you that if our examination of DDSN funds revealed any evidence of fraud, embezzlement, or the illegal or improper use of state or federal funds, we would have reported our evidence to the proper law enforcement officials for investigation.

In our report, we indicate that DDSN operates competently in many respects. We issued a number of recommendations that we believe, when implemented, will improve the operations of the agency. Since the report was published, we have met with DDSN board members to clarify our recommendations and DDSN provided us with their Implementation Plan for LAC Report Recommendations. The plan indicates that the board has implemented or is in the process of implementing the recommendations.

Thanks for allowing me to provide this information. Please let me know if you need additional information concerning our audit of the Department of Disabilities and Special Needs.

Sincerely,

Thomas J. Bardin, Jr.  
Director  
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